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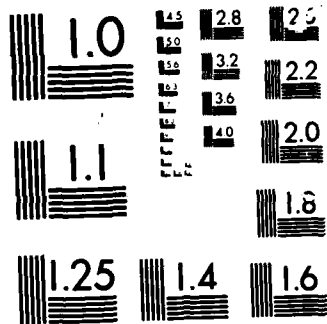
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ORGANIZATIONAL EXCELLENCE

BY

LIEUTENANT COLONEL A. E. SLUCHER, JR., FA

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20. ABSTRACT (Continue on reverse side if necessary and identify by block number) The question of what is organizational excellence has plagued theorists and researchers for centuries; and there have been many attempts to quantify, measure, or explain excellence. This paper is yet another attempt, but the focus is more generic. That is, there is an attempt to intellectually develop a set of common characteristics found in any organization that has been termed excellent. It is postulated that if organizations seek excellence then these common characteristics must be present or must evolve. The characteristics are: (continued)			

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- o First, the overriding theme of the organization is that it exists because of and for people. People are the essence.
- o Second, the conceptual design satisfied individual and organizational needs over time and is focused on what the organization can and wants to do.
- o The remaining characteristics follow in no particular order.
 - the organization as a whole recognizes that individual and organizational energy potential is proportionate to quality skills,
 - the organization retains common foci to the traditional organizational theory groups, and
 - the organizational preference or force direction has been evaluated against individual, organizational, and environmental influence on output.
- o Finally, the degree of excellence being proportionate to the relative conceptual abilities for design structure, the amount of energy required to decrease the gap between individual and organizational needs, and the relative quality skills possessed by members of the organization.

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USAWC MILITARY STUDIES PROGRAM PAPER

ORGANIZATIONAL EXCELLENCE

INDIVIDUAL ESSAY

by

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US Army War College
Carlisle Barracks, Pennsylvania 17013
3 December 1985

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ABSTRACT

AUTHOR: A.E. Slucher, Jr., LTC, FA

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The question of what is organizational excellence has plagued theorists and researchers for centuries; and there have been many attempts to quantify, measure, or explain excellence. This paper is yet another attempt, but the focus is more generic. That is, there is an attempt to intellectually develop a set of common characteristics found in any organization that has been termed excellent. It is postulated that if organizations seek excellence then these common characteristics must be present or must evolve. The characteristics are:

- o First, the overriding theme of the organization is that it exists because of and for people. People are the essence.
- o Second, the conceptual design satisfies individual and organizational needs over time and is focused on what the organization can and wants to do.
- o The remaining characteristics follow in no particular order.
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PREFACE

There are a few points that may assist the digestion of this material. First, the conclusions derived are those of the author and not of any official military publication. Some may find the conclusions too general in nature, but that was precisely the intent. The suggestion being, that with proper application, excellence in any organization may be obtained.

Second, many may be opposed to the lack of empirical substantiality to the conclusions; this, too, was the intent for time did not permit otherwise. However, many of the sources cited in the development of the conclusions were empirically based.

Finally, the chapters are designed to address specific subject matter independently. Only at the conclusions are all the parts put in perspective. The conclusions are short, concise, and generic. Hopefully, they will generate reflection and interest by a reader who has the time to prove or disprove the conclusions.

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ORGANIZATIONAL EXCELLENCE

A.E. Slucher, Jr.

I. INTRODUCTION

Why do some organizations succeed where others fail? What is the secret to their success? What are the pitfalls to avoid? What is an excellent organization and what does it look like? What would you see, hear, or sense if you belonged to an excellent organization? What is excellence?

Although the search for efficiency, excellence, or "the one best way" has been described through numerous different adjectives, theorists associated with the study of organizations from the beginning of time have sought to explain, formulate, or predict the best organization. No matter what it's called—efficiency, effectiveness, excellence—theorists have sought to answer questions similar to those enumerated. For the purpose of discussion, I will use the words, organizational excellence.

The purpose of this paper is to provide strictly intellectual thought from which further discussion or possible empirical research may evolve. Obviously, if the answers were clear, this paper would be superfluous.

My discussion is divided into three basic parts: (1) organizational theory in general, (2) specific organizational models, and (3) a conclusion. I hope to develop a definition for a generic organization, a definition for organizational excellence, and, finally, some predictable characteristics one would find in an excellent organization.

II. ORGANIZATIONS

Definition

One of the most demanding aspects for researchers and theorists, who have sought to answer questions on organizational excellence, has been the problem of defining excellence. Possibly, the focus should not have been a definition of excellence, but first, a definition of an organization. One could argue that there exists a proliferation of definitions for what an organization is, and there is no need for yet another. But I suggest that a new definition may be precisely the prescription for developing answers to organizational excellence. I would suggest a simple but dynamic twist to traditional definitions by exploring the people phenomenon one more time.

As I have already pointed out, there are many definitions from which to choose while attempting to explain what an organization is. Lyman W. Porter, Edward E. Lawler, and J. Richard Hackman, three leading researchers in the field of organizational behavior, have commented on the process of organizations as follows:

"...Organizations are, first and foremost, social entities in which people take part and to which they react. The second fundamental feature stresses the purposeful goal-oriented characteristic of organizations. This focuses our attention on the instrumental nature of organizations; that is, they are social instruments set to do something. The third and fourth features concern the means by which organizations go about the process of trying to accomplish objectives...Finally, a fifth basic feature: the continuity through time of the activities and relationships within organizations..."¹

Simply stated, then, the fundamental nature of organizations can be summarized according to these prominent researchers as follows:

1. Lyman W. Porter, et al., Behavior in Organizations (New York: McGraw-Hill, 1975), pp. 69-71.

- Who: composed of individuals and groups
- Why: in order to achieve certain goals and objectives
- How: by means of divided functions and tasks that are intended to be rationally coordinated and directed
- When: through time on a continuous basis.²

Etzioni describes an organization as "social units deliberately constructed and reconstructed to seek specific goals."³ Both definitions, thus quoted, orient on meeting some preconstructed goals as do many other definitions. These two definitions address the aspect of "time" and "reconstruction" suggesting a more dynamic process than is usually seen in the classical or neo-classical and even many modern definitions.

However, many modern theorists view the issue of organizational goals differently. Some theorists contend that although the need for goals exists, the complexity and interacting of organizational and individual goals warrants consideration as well. A concise statement of goals to which the individual, group, and organization can compare, evaluate, and relate is not easy. The complexity of the particular social phenomenon involved further compounds the problem. Long and short term goals possibly become intermingled; interests of individuals may lose their distinctiveness from those of the organization; human and material needs might seem to merge; means and ends could overlap.⁴ With all this ambiguity, how can an organization establish a meaningful set of goals?

2. Porter, pp. 69-71.

3. Anita Etzioni, Modern Organizations, (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1964), p.3.

4. Paul T. McClure, "The Organizational Approach Versus the Social Approach to Development in Pheripheral Nations," The Rand Corporation, Santa Monica, California, 1969, p. 4.

Some theorists have concluded that possibly a more open system is plausible where the dynamics of social structure and the influence of environment can be integrated. Katz and Kahn conclude that:

"An organization as an open system is characterized by a continuing process of input transformation and output. Organizational input characteristically includes people, materials, and energy; organizational output is typically in the form of products or services. The openness of the organization as a system means that it is eternally dependent upon its environment for absorption of its products or services, and for providing the necessary input which activates the organizational processes of transformation and, thereby, maintains the organization in existence."⁵

Again, we see the ideal of a "continuous" organization over time where the dynamic transformation occurs; but this time we see the introduction of external demands as almost the control mechanism for the focus of the organization.

From another perspective, one might look at an organization as something almost human. Two theorists, Alfred North Whitehead and his "philosophy of organism" along with James Grier Miller and his "living system," project an image of organism and organization as practically synonymous. That is, an organization has needs; it interacts with individuals, groups, and other organizations; it responds to changes in stimuli; it reacts to external demands; and it exists.⁶ Many body functions, as most would view them, are obviously absent—breathing, eating, sleeping, etc. However, Miller would suggest that the activity of an organization is like that of a living organism. He says:

5. R.L. Katz and Daniel Kahn, "Concept of Objective Organization," The Industrial Environment and Mental Health Journal of Social Science, Vol. XVIII, No. 3 (1962), p. 35.

6. James Grier Miller, Living Systems (New York: McGraw-Hill, 1978), pp. 1-17.

"Organizations are systems with multi-echelon deciders whose components and subsystems may be subsidiary organizations, groups, and single persons. Conceptually, the systems are living systems rather than abstracted systems."⁷

Miller goes on to relate systems within an organization to such biological terms as cells, organs, and organisms.⁸ Interesting to note is the dynamics of living and multi-echelon deciders. Although different terms are used, Miller, like Kahn and Katz and also like Etzioni, Porter, Lawler, and Hackman, recognized the existence of some "dynamic force," for lack of a better term. Additionally, Miller introduces a seldom recognized element--a single person as a subsystem.

As one can readily see after just a cursory look, there appears to be a smorgasbord of definitions which describe an organization ranging from an inanimate object to a living thing. However, there are similarities.

In all of the definitions considered so far and in many others too numerous to mention, there exists common elements but different terms. These common elements follow and are explained in my terms deduced from the terms of the theorists cited:

1. People - the essential element, for without people a reason for an organization does not exist.
2. Process - a dynamic interaction of needs (internal and external; individual and group) directed with energy.
3. Product - the sought result for which energy is expended.

Before I can finalize my proposition for what an organization is, there remains a discussion of the three P's -- people, process, product.

7. Miller, p. 595.

8. Miller, p. 18.

The first in the discussion is people; and, as has already been stated, it is the essential element. At first glance, this concept appears to be the obvious; and, likewise, the consideration that people are a resource seems obvious. But suppose the obvious is, in fact, not true. I would suggest that people - to be more accurate - the need for people to organize is the essence of organizations. People are not the resource but, in fact, the reason—structure personified. The structure being a reflection of the combination of personalities working together for preconceived purposes. In the model that I would propose, and will subsequently build upon at Figure A, there are but three forms of resources,—material, time, and information. People are not a resource but the essence of the organization.

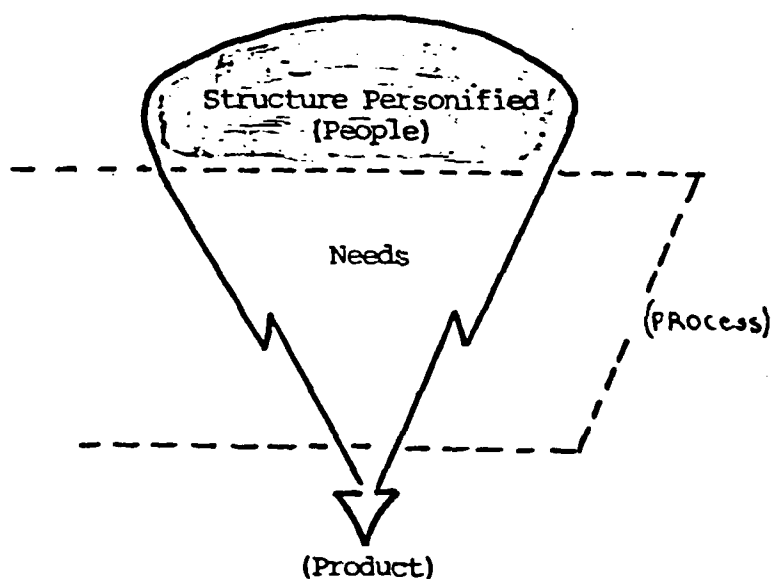


Figure A. Structure Personified

Next, the question of how the organization functions is considered—the process. As the three elements of people, process, and product appear in almost all definitions of organizational theory; terms similar to input,

throughput, and output appear in process theories.⁹ Webster defines a process as "a series of progressive and interdependent steps by which an end is attained."¹⁰ Webster's definition, although not complete for the organizational process, is a start point for it infers that something (input) causes action (throughput) which produces an end (output).

Another start point is the Hawthorne Studies. The Hawthorne Effect was an astonishing revelation for the times. The studies led to the belief that if management made people happy, the happiness would lead to greater output.¹¹ Unfortunately, all that we still really know about happy employees is that they are happy. Regardless, great research began; and two decades saw the thrashing of theory addressing motivational factors. Then, the prospect of formal and informal groups followed by more, ranging from theory X to matrix organizations; and, still there was no real concurrence on what was happening in the organizational process. Possibly the simple aspect of energy combined with relative individual qualities provides an avenue to pursue. That is, all that goes on in the process of an organization is energy, and the amount of energy is directly proportionate to what members of the organization can and want to do both physically and mentally (see Figure B).

Finally, there remains the discussion of the end result or product. As concluded in the review of previously quoted definitions, most theorists, from classical through modern, agree that the organization must have a purpose.

9. Thomas L. Quick, Understanding People at Work (New York: Executive Enterprises, 1976), pp. 142-144.

10. Webster's Ninth New Collegiate Dictionary, Springfield, Mass: Merriam-Webster, Inc., 1983, p. 937.

11. Quick, p. 9.

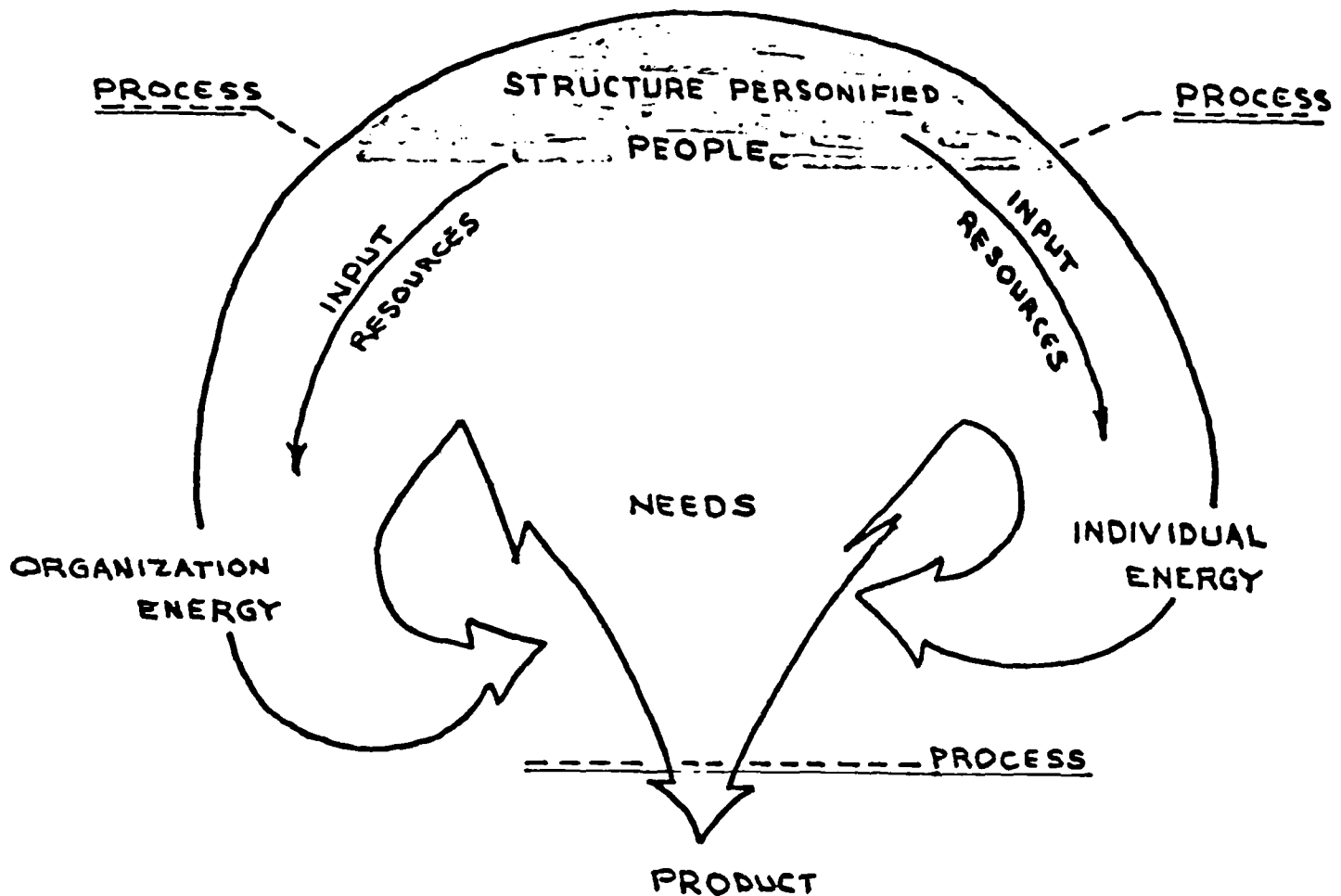


Figure B. Process

Taylor's work in scientific management produced, at least for the times, many "one best ways" to reach the end product.¹² From Taylor in 1911 to Waterman and Peters in 1984, theorists concluded that the end product was the reason for organizations. Peters and Waterman devote the entire first chapter of In Search of Excellence to discussing the historical development of theory, but

12. Frederick W. Taylor, Shop Management (New York: Harper and Bros., 1911), pp. 94-102.

the bottom line was that organizations produced something.¹³ I can't improve on that in the development of a definition. It is just that simple; organizations produce something.

If one can follow the basic hypothesis that: (1) people are not a resource but the essence of an organization, (2) that energy is all that is happening in the organizational process, and (3) that a product is produced, then the definition of an organization follows:

An organization is an extension of the personalities of the people who volunteer to be a member. The structure is a reflection of individual, group, and organizational needs. Material and information resources are processed with energy proportionate to what the members can and want to do. The end result of energy is a product.

Organizational Excellence

Having developed a definition of what an organization is, the next focus in pursuit of characteristics of organizational excellence is to determine what excellence is. Again, the list of definitions is seemingly endless. Webster provides a foundation from which to build and defines excellence as "the act or state of excelling."¹⁴ This simple but evasive definition amply shows the ambiguity that exists when one attempts to wrestle with what excellence is. Modern thinkers and theorists on the subject have written volumes. One of the most recent works, In Search of Excellence, is a prime example of the difficulty in trying to explain excellence. As the title implies, even in 1984 the search is on; and the answers are not easy. But if one considers or assumes that the main difference between excellent and not so excellent organizations is some form of gap in output performance, a

13. Robert H. Waterman, Jr. and Thomas J. Peters, In Search of Excellence (New York: Warner Books, 1984), pp. 3-29.

14. Webster, p. 460.

reference point for discussion may exist. A pictorial example similar to this assumption is shown at Figure C.

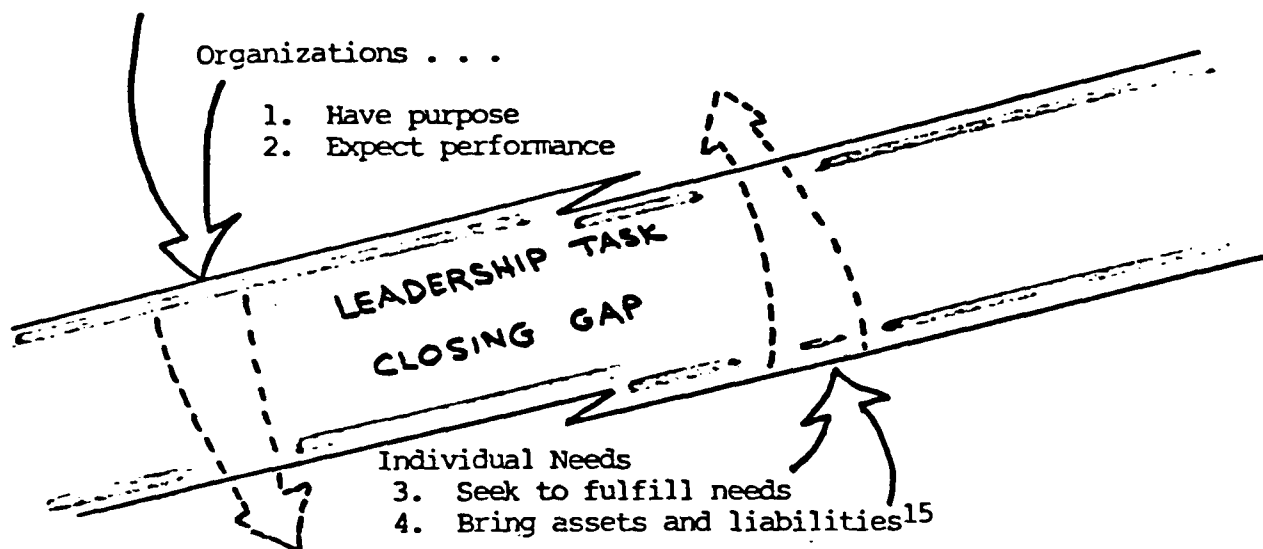


Figure C. Leadership

Although the example at Figure C addresses the purpose of leadership, the principle of narrowing or closing the gap as a function of leadership can be generalized to narrowing the gap between not-so-excellent and excellence in organizations.

If one looks at the possible existence of some sort of gap and relates the gap to a measurement of output, it might be assumed that excellence is as Kahn and Katz explains it; that is, excellence is "high output materialized from minimal input."¹⁶ However, according to Chester Barnard, the organization with the highest output could very well be the least

15. United States Military Academy, The Department of Behavioral Sciences and Leadership, Leadership in Organizations, ed. Paul Bons, and et al. (West Point, New York: USMA, 1981), p. 11.

16. Daniel Kahn and R.L. Katz, The Social Psychology of Organizations. (New York: John Wiley and Sons Inc., 1966), p. 151.

efficient.¹⁷ Although some eighteen years separate the two ideas, both suggest a proportionate relationship between input and output and that the relationship is a measure of efficiency. Further, there is the suggestion that efficiency is related to excellence. This suggestion is amplified in Barnard's definition of efficiency: "a situation in which satisfactions of the individual workers exceed the sacrifices required of them in their jobs."¹⁸

There are those that would argue that organizational effectiveness is a measure of excellence where organizational effectiveness is an interaction with the environment.¹⁹ Chris Argyris might contend that excellence can not be achieved without the proper integration of individuals to organizations and organizations to society.²⁰

As can be seen, there exists as many parameters and measurements of excellence as there are definitions. Perhaps Drucker's analysis of what makes effective executives can be related to organizational excellence; and through this comparison, a more tangible set of measurements can be derived.

According to Drucker, conceptual skills are most important, for the executive's major task is to structure the situation and eliminate obstacles so he can "think."²¹ Drucker goes on to describe the effective executive as

17. Chester I. Barnard, The Functions of Executives (Cambridge, Mass: Harvard University Press, 1938), p. 19.

18. Barnard, p. 19.

19. Chris Argyris, Integrating the Individual and the Organization (New York: John Wiley and Sons, Inc., 1964), pp. 162-165.

20. Argyris, p. 165.

21. Peter F. Drucker, The Effective Executive (London: Heinemann, 1967), p. 167.

one who: (1) is goal/results oriented, (2) manages time well, (3) emphasizes his/her strengths, (4) is good at selecting and developing competent people, and (5) is an effective decisionmaker.²² The latter characteristic implies that the executive is able to identify the root problems, specify what decisions must be made, convert decisions into action, obtain accurate feedback, and modify plans when necessary.

Where Drucker's accent for executives is on conceptual skills, it follows that the structure assumed by excellent organizations likewise might emphasize the most important ideas/needs on why the organization exists. Further, as Drucker's effective executive is described as having qualities of goal orientation, time management, strength awareness, competence enhancement, and decisionmaking abilities, likewise an excellent organization might have the same qualities.

Therefore, in developing a definition for organizational excellence, it appears to me that some combination of gap closure, energy proportion, conceptual adequacy, and quality skills might produce a plausible definition. Thus, organizational excellence is defined as:

A state where minimal energy is required to actualize individual and organizational needs. The degree of excellence being proportionate to: (1) the relative conceptual abilities to design structure, (2) the amount of energy required to decrease the gap between individual and organizational needs, and (3) the relative quality skills possessed by members of the organization (see Figure D).

22. Drucker, p. 170.

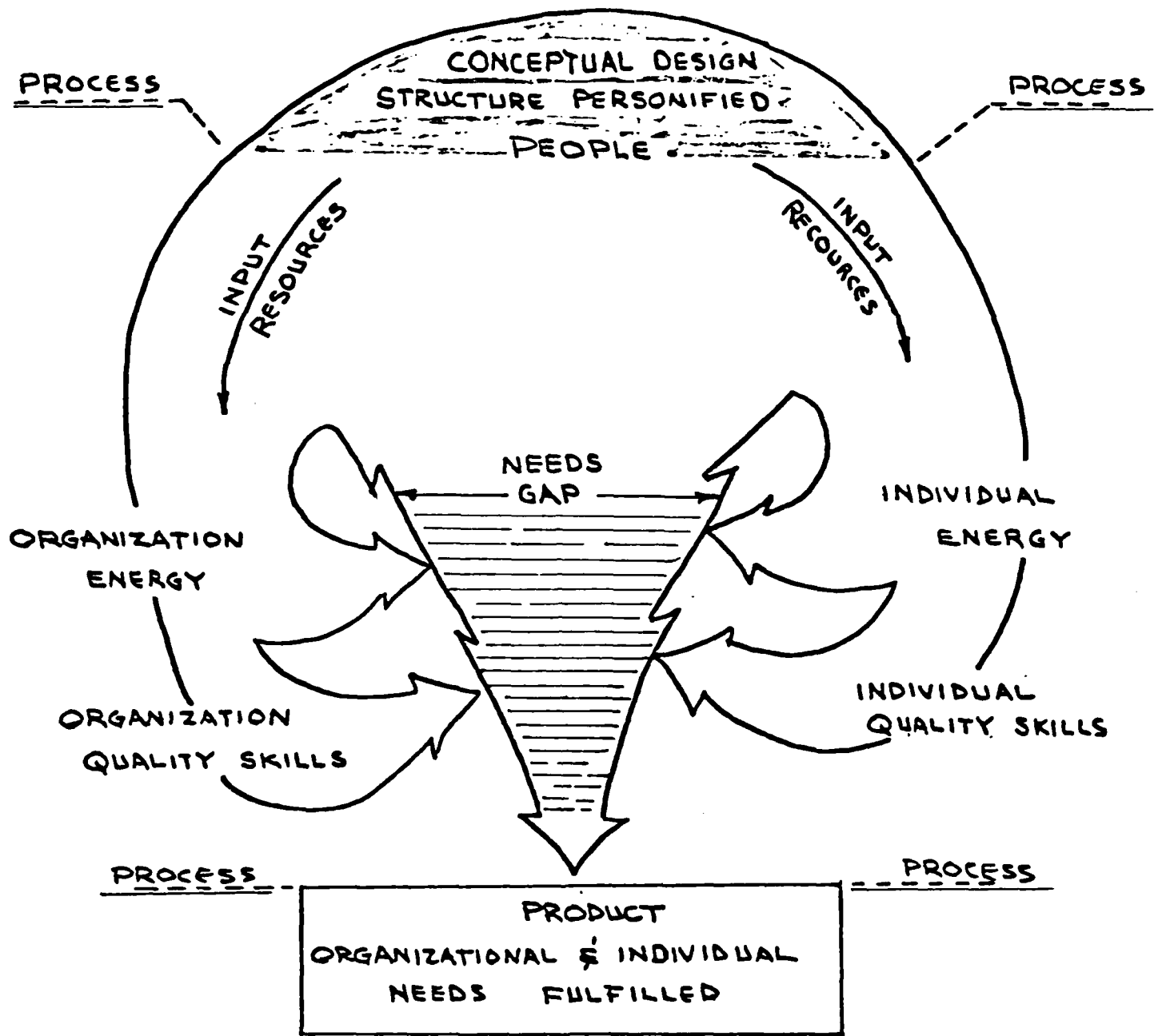


Figure D. Organizational Excellence

Organizational Death or Organizational Persistence

Note 1: If the organization and individual's needs are not met by some factor, the organization may terminate.

Note 2: If the organization and individual's needs are met by some margin and needs persist, the organization may persist.

III. THEORY APPLICATION

"An excellent organization is not expected to be operating at peak capacity all the time. Yet excellent organizations perform as if they are. They possess a high idling ability. This is not to say that excellent organizations are perfect. In fact, it readily admits its mistakes. And when it needs help, it asks for it...An organization rarely falls apart on grand strategy, but rather on attention to detail."²³

"...Excellent companies were, above all, brilliant on the basics. Tools didn't substitute for thinking. Intellect didn't overpower wisdom. Analysis didn't impede action. Rather, these companies worked hard to keep things simple in a complex world. They persisted..."²⁴

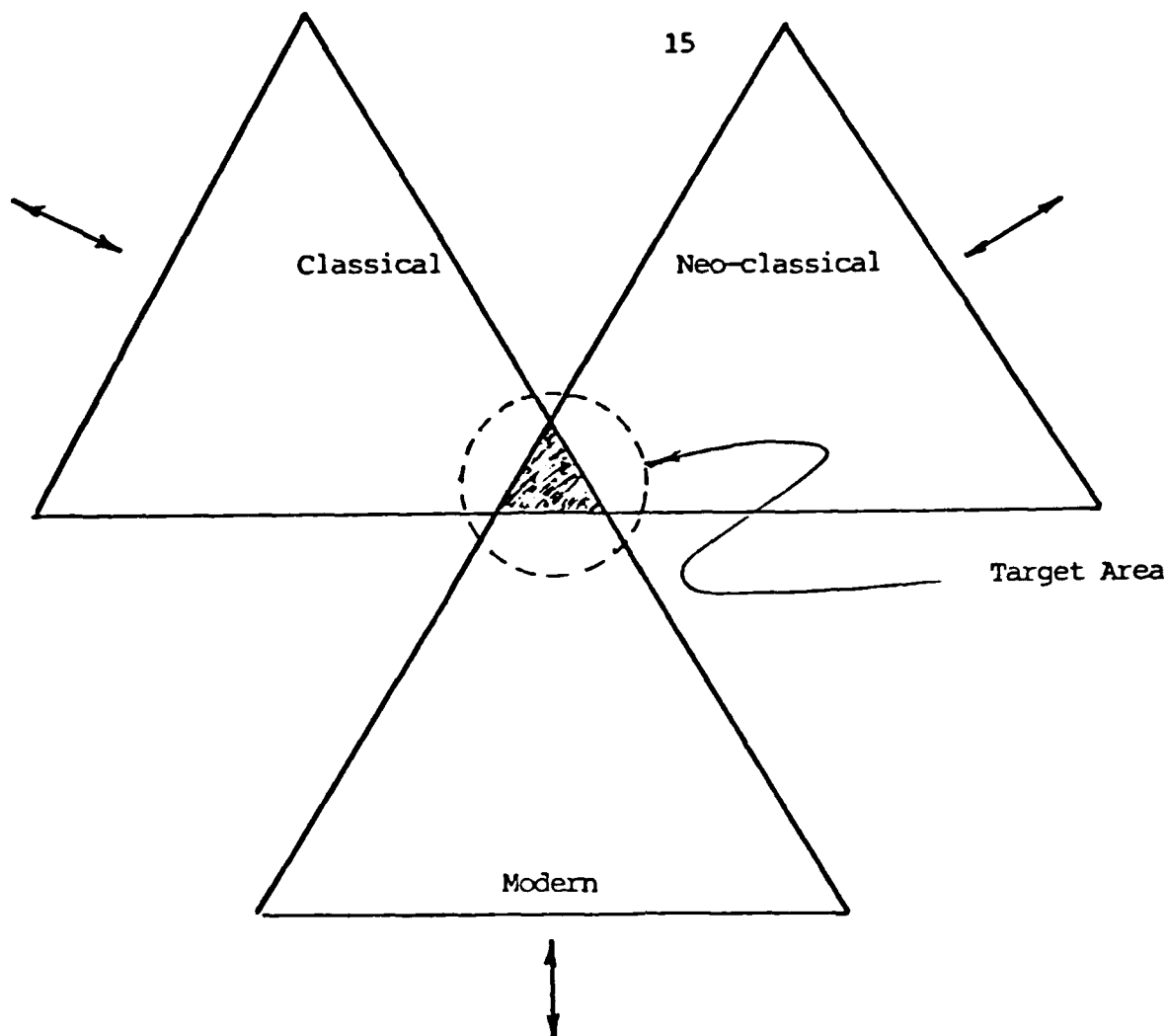
Theory Overlap

The two quotations cited above represent thoughts about excellent organizations from two perspectives, profit and non-profit. However, both suggest that excellent organizations stick to the basics and simplicity. What other characteristics might be considered that overlap and are common even though organizational purposes differ? Can these common characteristics be considered essential ingredients for organizational excellence? In order to answer these questions and develop characteristics of organizational excellence, a general comparison in the evolution of organizational theory is suggested. From this comparison, it is postulated that overlapping areas may provide some answers. The model at Figure E-1 provides a pictorial example of the target.

First, I will generalize in turn the collective contributions of classical, neo-classical, and modern organizational theorists. Next, the task will be to suggest thorough analysis of selected writings, a phenomenon I call

23. Jerry Simonsen, et al., "Excellence in the Combat Arms," Department of Admin Services, Naval Postgraduate School, Monterey, California, (Dec. 1984), p. 5.

24. Peters, p. 13.



← Force direction for preference: a management and worker decision

////// Shaded area where theory applications overlap

Figure E-1. Overlap Target

"force direction;" force direction being defined as a preference of organizational practice based on conceptual factors derived by organizational decisionmakers at all levels—management and worker.

Although more intellectually derived than empirically, the classical theorists such as Taylor, Fayol, and Weber provided both solutions and questions for "the one best way." The times asked questions, and they

provided some answers; they also set the stage for questions from behavioral scientists. Regardless, many of these characteristics and methodologies for obtaining organizational efficiency persist today. Taylor's scientific management, Weber's bureaucracy, and Fayol's functionalism can be seen in use today; and their assumptions about the "economic man" or "the one best way" have application.²⁵ It is the relative degree of application that is suggested at Figure E and, secondly, the relative combination of classical theory in general. In order to pursue this thesis, the following generalizations concerning classical theory is provided. Classical theory:

1. suggests practical applications rather than theoretical.
2. is largely dominated by organizational structure.
3. has preconceived and questionable assumptions about the "economic man."
4. provides largely prescriptive solutions.
5. has a strong rational and deductive quality.
6. limits the possibilities to "the one best way."²⁶

As the classical theorists answered some questions, they caused others and opened the door for the human relations movement. The movement began with research at the Hawthorne plant of Western Electric in 1927. Its principal

25. David Hampton, et al., Organizational Behavior and the Practice of Management (Glenview, Illinois: Scott Foresman, and Co., 1982), pp. 55-60, 125-131, 193-201.

26. Robert T. Golembieuski, ed., Approaches to Organizing (Washington, D.C.: The American Society for Public Administration, 1981), pp. 2-3.

investigators were F.J. Roethlisberger and William J. Dickson.²⁷ The neo-classical theorists brought a different orientation to the study of organizational theory.

Where the classical theorists believed in general that rational economic assumptions about human motivation were sufficient to explain work behavior, the neo-classical theorists brought the idea that the best designed organization is confronted by small groups and individuals who did not act the way the rational prescriptions of economic man said they would. Thus, the study of behavioral science became an integral part for understanding organizations and the search for excellence.

Essentially, the neo-classical movement concluded that:

1. Formal structure is influenced by informal structure and both are distinct.
2. Human motivation may be a response to economics, but it is usually a response to needs in general which extend beyond just economics.
3. Management could use the behavior sciences to understand and influence human actions on the job.
4. The social system affects the interactional climate of an organization.
5. The factors of attitudes, motives, jobs, physical setting, formal organization, informal organizations, and social systems are woven into an overall pattern of interdependency.²⁸

27. F.J. Roethlisberger and William J. Dickson, Management and the Worker (Cambridge, Mass: Harvard University Press, 1939), p. 1-17.

28. Henry L. Tosi, Theories of Organizations (Chicago, Illinois: St. Clair Press, 1975), pp. 14-17.

In general, the neo-classicists wanted to modify organizational theory, not transform it revolutionarily. However, by 1960, changes in organizations' complexity and technology could no longer be ignored. These changes required a reformulation of theory; and, thus, the modern theorists evolved, no, exploded!

Modern organizational theory is composed of systems and contingency approaches. The explosion of theory ranged. It included: organizational development, organizational behavior, socio-technical systems, industrial dynamics, operations research, management information systems, and human resource systems.²⁹

The distinctive qualities of modern organizational theory stem from its foundation in the biological sciences, its reliance on empirical research data, its interests in interdependencies of all kinds, and its orientation toward environmental interchanges.³⁰ It is an effort to look at human systems in their totality, and it is an approach that focuses on external determinates as contingencies. The broad spectrum of modern organizational theory is so complex, and it is difficult to summarize but generally it:

1. is grounded in the notion of interdependency, the view that in organizations a change in one part affects the behavior of all other system parts, or
2. focuses on external determinates of organizational structure and behavior and is a form of situational analysis that stresses managers' diagnostic skills in finding the situational factors that determine action. Further, that if environmental conditions are known and controlled, the behavior and organizational structure can be designed to increase effectiveness.

29. William G. Scott, et al., Organizational Theory: A Structural and Behavioral Analysis (Homewood, Illinois: Richard D. Irwin, Inc., 1981), pp. 41-43.

30. Scott, p. 43.

One can see by the study of organizational theory evolution, from classical through neo-classical to modern, that there are different focuses; but, likewise, there are common or at least similar assumptions and quests. Each group of theories assumed that:

1. Some form of structure was needed to control input, throughput, and output.
2. People were an essential ingredient to organizations.
3. Something motivated people and caused them to want to produce (goals).
4. Skills were needed to produce something.
5. Procedures caused more efficient processes.

The overlap of these common foci is shown in the model at Figure E-2.

The model depicts the unique sides of each theory group in the non-shaded area and the common foci in the shaded area.

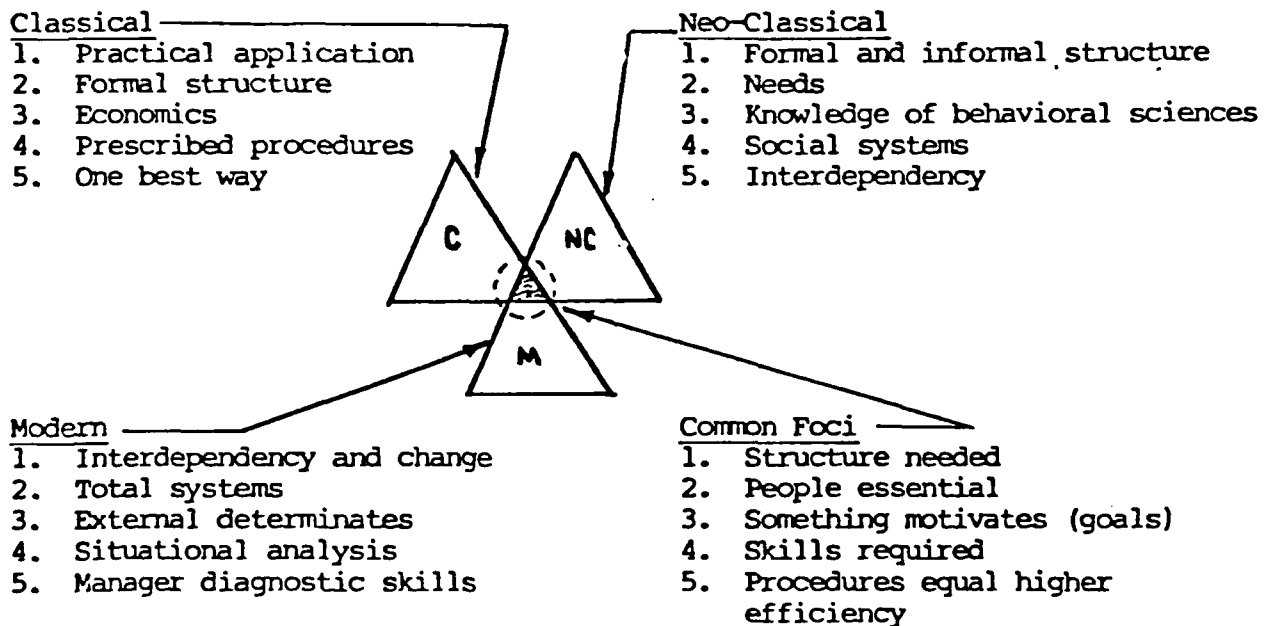


Figure E-2. Theory Overlap

It is understood that generalities about any theory can be dangerous; but again, the purpose of this paper is to provide intellectual direction for empirical studies. Thus, from a less complex and general approach, I hope to show that there are common but essential characteristics for excellence in organizations; and there are preferred characteristics that are relative to the organizational product which enhance excellence.

Force Direction

In the preceeding section of theory overlap, I defined force direction as: a preference of organizational practice based on conceptual factors derived by organizational decisionmakers at all levels. Further, I implied that decisionmakers are found at both the management and the worker level. That is, there is a force caused by the nature of the organization's people and product that pushes the essence of the organization toward a preferred theory group while the organization retains the foci common to all organizational theory — the conceptual aspect being the most crucial to the eventual degree of excellence. A pictorial example of what I postulate is provided at Figure F.

In order to develop the concept of force direction, a comparison of selected works dealing with organizational excellence is required. Although there are numerous volumes from which to choose, I have selected three primary sources. The sources merely provide a point of departure for discussion, and they address the spectrum of organization purpose—profit and non-profit.

The first work is Peters and Waterman's book, In Search of Excellence. Their efforts in trying to articulate excellence concentrate on the business

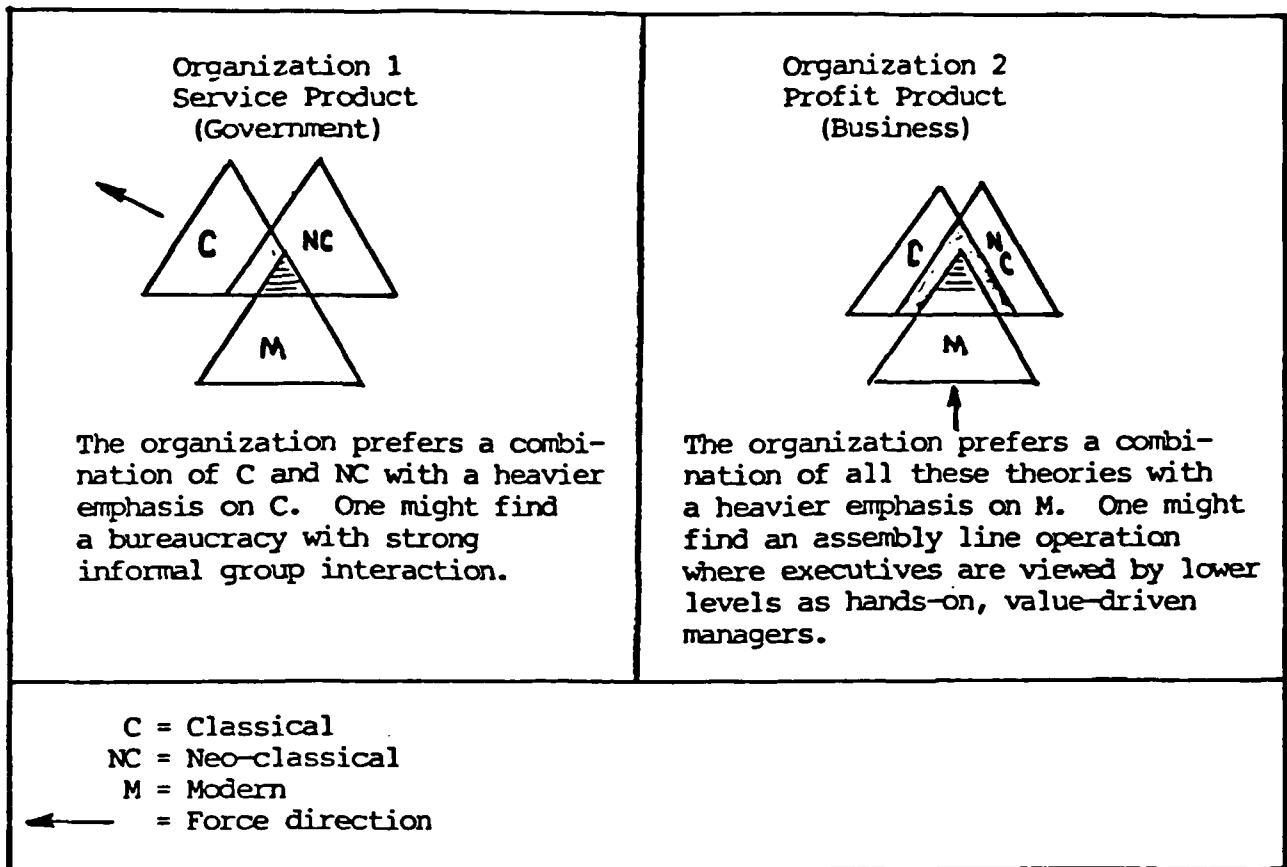


Figure F. Force Direction Comparison

world and profit. Their methodology is a comparison of case studies in which they attempt to validate eight basic principles commonly found in excellent organizations. The principles are:

1. A bias for action: a preference for doing something -anything rather than sending a question through cycles and cycles of analysis and committee reports.
2. Staying close to the customer - learning his preferences and catering to them.
3. Autonomy and entrepreneurship—breaking the corporation into small companies and encouraging them to think independently and competitively.
4. Productivity through people—creating in all employees the awareness that their best efforts are essential and that they will share in the rewards of the company's success.

5. Hands-on, value-driven—insisting that executives keep in touch with the firm's essential business.
6. Stick to the knitting—remaining with the business the company knows best.
7. Simple form, lean staff—few administrative layers, few people at the upper levels.
8. Simultaneous loose-tight properties—fostering a climate where there is dedication to the central values of the company combined with tolerance for all employees who accept those values.³¹

A close review of these eight basic principles indicates a force direction similar to organization 2 at Figure F. That is, according to Peters and Waterman, if one wants to achieve excellence in the profit business, the organization should incorporate a combination of all three theory groups with an emphasis on modern theoretical applications. The eight basic principles range in concept from Taylor's scientific management, through Maslow's hierarchy of needs, to Skinner's behaviorists theory. Specifically, Peters and Waterman show the McDonald's "one best hamburger," IBM's focus on respect for the individual, and Tupperware's understanding of what the environment wants.³² While Peters and Waterman do not directly address the common foci I suggest at Figure E-2, a comparison of their eight basic principles indicate the importance of:

1. Structure
2. People
3. Motivation
4. Individual and organizational skills
5. Procedures for efficient product processing

31. Peters, pp. 13-17.

32. Peters, pp. 119, 156, 200.

Thus, the application of force direction for the eight basic principles in Peters and Waterman's book seems plausible.

The next analysis concentrates on the non-profit organization, specifically the United States Army battalion. The sources used for comparison with force direction are results of independent studies conducted in 1984 and 1985. The first study, entitled "Excellence in the Combat Arms" with genesis at the Naval Postgraduate School, was the result of a one-year study using indepth interviews, surveys, and statistical comparisons as methodology. The second study was published in Behavioral Science in 1985 after a three-year U.S. Army Training and Doctrine Command (TRADOC) designed project. The study reviewed the application of Miller's living systems theory to fourty-one Army battalions and used an empirically based methodology.

Both studies formulated similar conclusions concerning distinct qualities of excellent organizations. In general, the projects concluded that excellent U.S. Army battalions:

1. were complex organizations having multiple subsystems.³³
2. had systems for processing information very quickly.³⁴
3. required personnel at all levels to know their job responsibilities.³⁵
4. were composed of skilled persons.³⁶

33. Gordon C. Ruscoe, et al., "The Application of Living Systems Theory to 41 U.S. Army Battalions," Behavioral Science, Vol. 30, No. 1 (Jan 1985), p. 13.

34. Ruscoe, p. 14.

35. Ruscoe, pp. 18-23.

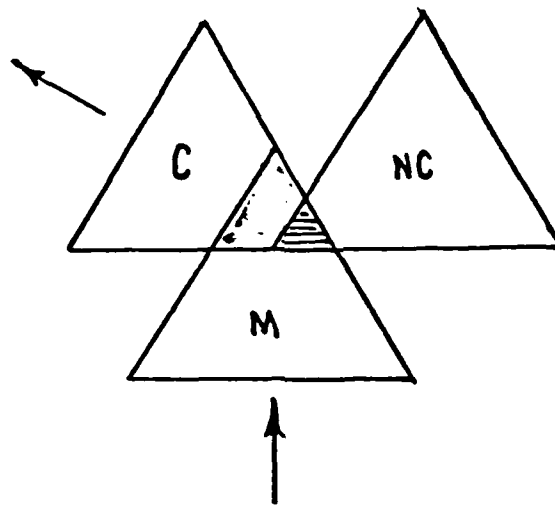
36. Ruscoe, pp. 19-20.

5. did not appear to be working hard.³⁷
6. had senior leadership that was concerned with the physical and mental well-being of the individual.³⁸
7. had good sound procedures and followed them.³⁹
8. showed a sense of pride at doing things correctly the first time.⁴⁰

A comparison of the derived qualities found in excellent U.S. Army battalions is shown at Figure G.

Although a different purpose exists for the U.S. Army battalion and the profit organizations previously discussed, both had a preferred force direction and both retained the common foci of all three organizational theory groups. The force direction was relative to respective organizations' purpose and almost seems predictable once purpose was conceptually determined.

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37. Jerry A. Simonsen, "Excellence in Combat Arms," Department of Administrative Science, Naval Postgraduate School, Monterey, CA. (Dec 1984), p. 5.
 38. Simonsen, p. 9.
 39. Simonsen, pp. 11-15.
 40. Simonsen, pp. 17-19.



The organization has a force directed towards both C and M, with no obvious preponderance of emphasis for either. Common foci of all three was present.

Figure G. U.S. Army Battalion Force Direction

IV. CONCLUSION AND CHARACTERISTICS

As stated at the introduction, the purpose of this paper was to stir the quest for answers to organizational excellence. The medium was strictly intellectual thought on the development of characteristics which may be generic to any type organization that seeks excellence.

The focus for determining characteristics of organizational excellence began with the definition of organization and organizational excellence, respectively. Next, there was an attempt to show the requirement for the correlation of proven theoretical fundamentals as they might apply to organizational purpose. From this focus, characteristics of organizational excellence applicable to both profit and non-profit organizations seemed plausible.

The characteristics of organizational excellence are as follows:

- o First, the overriding theme of the organization is that it exists because of and for people. People are the essence.
- o Second, the conceptual design satisfies individual and organizational needs over time and is focused on what the organization can and wants to do.
- o The remaining characteristics follow in no particular order.
 - the organization as a whole recognizes that individual and organizational energy potential is proportionate to quality skills.
 - the organization retains common foci to the traditional organizational theory groups.
 - the organizational preference or force direction has been evaluated against individual, organizational, and environmental influence on output.
- o Finally, the degree of excellence being proportionate to the relative conceptual abilities for design structure, the amount of energy required to decrease the gap between individual and organizational needs, and the relative quality skills possessed by members of the organization.

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